# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:669
ANSWERED ON:28.07.2006
ACTION UNDER FERA AND FEMA
Joshi Shri Pralhad Venkatesh

**Will the Minister of FINANCE be pleased to state:**

(a) Details of the foreign companies involved in Foreign Exchange Regulation Act and Foreign Exchange Management Act during the last two years i.e., from 2004-05 to 2005-06 located across the country;

(b) whether the Government has initiated actions against such companies under the foreign exchange laws and rules and regulations during the above period;

(c) if so, the details thereof;

(d) whether any of these foreign companies are closed due to actions taken against such companies during the above period; and

(e) if so, the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) : M/s Greenfield Investment Limited Mauritius, Overseas Corporate Body (OCB) and its Directors and others and M/s J. Henry Schrodder Bank AG, Switzerland (FII) were found involved in violations of provisions of Foreign Exchange Management Act, 1999, during the last two years i.e. 2004-05 and 2005-06.

(b) & (c) : Show Cause Notices were issued under the provisions of Foreign Exchange Management Act, 1999 to
(i) M/s Greenfield Investment Ltd., Mauritius and Overseas Corporate Body (OCB) and its Directors and others and
(ii) M/s J. Henry Schrodder Bank AG, Switzerland (FII) and others. Adjudicating proceedings have been completed against M/s Greenfield Investment Limited and its Directors and others imposing penalties totalling Rs.327 Crores.

(d) & (e) : Overseas Corporate Bodies (OCBs) including M/s Greenfield Investment Limited, Mauritius have been debarred from carrying out transactions in securities by the RBI.